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at 3 p.m.
New York

SUMMARY RECORD OF THE 50th MEETING

Chairman: Mrs. EMERSON (Portugal)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative
and Budgetary Questions: Mr. MSELLE

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In the absence of the Chairman, Mrs. Emerson (Portugal),
Vice-Chairman, took the Chair.

The meeting was called to order at 3.35 p.m.

AGENDA ITEM 136: FINANCING OF THE UNITED NATIONS PROTECTION FORCE (continued)
(A/48/690 and Corr.1 to 3, A/48/878)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the report of the Secretary-General on the financing of the United Nations Protection Force (UNPROFOR) (A/48/690 and Corr.1 to 3) and the related report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/48/878) illustrated many of the problems inherent in the current procedures for the preparation, review and implementation of peace-keeping budgets. The current mandate of UNPROFOR would end on 31 March 1994, yet the Fifth Committee was reviewing budget estimates for the period July 1993 to 31 March 1994. The reports indicated that 89.1 per cent of the estimates had been authorized for commitment by the General Assembly and 64.3 per cent of the estimates had already been assessed on Member States.
2. The report of the Secretary-General had been extensively revised to update the information. The situation in the operational area was constantly changing and the mandate of UNPROFOR had been enlarged by 12 separate decisions. For the period under consideration, budget performance information covered only three months for a period that had ended eight months earlier. The Advisory Committee had been informed by representatives of the Secretary-General that a comprehensive review of UNPROFOR was under way in the Secretariat and in the operational area, but it was not at present known for how long its mandate would be extended by the Security Council.
3. At an informal meeting of the Fifth Committee on 2 March 1994, he had outlined briefly the nature of the problem concerning the process of the preparation of peace-keeping budgets by the Secretariat and their review and approval by the General Assembly. There were very serious problems which required immediate attention and realistic solutions. It would be extremely useful if the Secretariat could speed up the preparation of the report called for in the Advisory Committee's earlier report (A/47/990), which had been endorsed by the General Assembly.
4. In its examination of the report of ACABQ now under consideration (A/48/878), the Fifth Committee should bear that fact in mind. The history of budget authorization and assessment was summarized in paragraph 7 of the Advisory Committee's report, where it was indicated that the balance of resources being requested for assessment on Member States amounted to \$312.4 million. However, because of the recommendations in the report of ACABQ and bearing in mind the unencumbered balance of \$26.2 million for the period 12 January 1992-28 February 1994, no more than approximately \$271.1 million needed to be assessed on Member States.

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(Mr. Meelle)

5. With regard to paragraphs 10 to 14 of the ACABQ report, which dealt with the question of voluntary contributions, he said that it was the Advisory Committee's experience, in reviewing several peace-keeping budgets, that the guidelines for receipt, recording and accounting of voluntary contributions as approved by the General Assembly on the basis of the Advisory Committee's recommendations were not being fully implemented. The Advisory Committee was also of the view that, whenever trust funds were established, the procedures laid down in the Financial Regulations and Rules regarding the reporting, management, accounting and auditing of such funds should be complied with.
6. Regarding the cost estimates for UNPROFOR beyond 31 March 1994, he drew attention to paragraphs 15 and 16 and to the recommendation in paragraph 79 of the report of ACABQ. The Advisory Committee was recommending that the Assembly should authorize commitment of funds for the various peace-keeping operations it was currently examining, with a view to allowing the Secretariat to prepare the necessary budget documentation and start the process of restoring the normal cycle of budget review and consideration by ACABQ and the General Assembly respectively.
7. He drew particular attention to the comments and recommendations in paragraph 28 on the compilation of statistics on troop strength; paragraphs 29 to 30 on the question of contingent-owned equipment; paragraph 37 on the question of coordination and cooperation between the military and civilian sectors of UNPROFOR regarding the delivery of support services; and paragraphs 47 to 49 on the use of contractual and security personnel.
8. Mr. TAKASU (Controller) said that he appreciated the difficulty in presenting clear and accurate information on UNPROFOR, the largest and most complex current peace-keeping operation. The report of the Secretary-General (A/48/690) covered the period from 31 July 1993 to 31 January 1994 and the three corrigenda reflected a number of changes which had occurred subsequently.
9. As indicated in paragraph 2 of document A/48/690/Corr.3, the cost estimates for the period 1 July 1993 to 31 March 1994 had been reduced to \$873,893,000 because of delays in recruitment, procurement of vehicles and deployment of helicopters. The Advisory Committee had recommended an appropriation of \$858,878,659 gross for that period (A/48/878, para. 76). The cost estimates for the 12-month period beginning 1 April 1994 had increased to \$1,250,858,400 gross for the reasons discussed in paragraphs 12 to 14 of document A/48/690/Corr.3, a figure which included an increase in the number of contingent-owned vehicles and new contractual arrangements for air operations. The Advisory Committee had recommended that, subject to action of the Security Council, the Secretary-General should be authorized to enter into commitments of up to \$95,430,962 per month for the period 1 April to 30 June 1994, with the prior concurrence of ACABQ as to the exact amount to be committed.
10. The Secretariat found the Advisory Committee's recommendations fair and reasonable and it would make every effort to implement them. It would, however, have some difficulty with a few of those recommendations. With regard to the

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(Mr. Takasu)

comments concerning spare parts for vehicles (A/48/878, para. 63), he said that, while the Secretariat appreciated the reasons for the recommendation of only a partial increase in the rate for UNPROFOR, it would have to request a further increase in the near future.

11. With regard to the establishment of the Trust Fund (A/48/878, para. 14), he said that, in accordance with financial regulation 6.6, it had been the practice of the Secretariat to notify the Advisory Committee whenever a trust fund was established. In 1983, the Advisory Committee had requested that it should be notified of the establishment of trust funds in an annual consolidated report to be submitted early in its fall session, and the Secretariat had complied with that request. In 1992, the Advisory Committee had requested that such consolidated reports should be submitted twice a year. The Secretariat was now preparing the report on trust funds established after December 1993 and would provide that information shortly.

12. The greatest problem for the Secretariat was the timing of the preparation of the next full budget. The Advisory Committee had recommended that the commitment authority should be extended until the end of June and that the Secretary-General should submit a budget corresponding to the mandated period by May 1994. Under the current system, it would be impossible to provide a full budget while the Security Council was deciding on the mandate and size of the operation. The current mandate period ended on 31 March. The duration of the extension and the modifications in the mandate, level and strength of UNPROFOR forces would not be known until the end of that month, when the Security Council would reach its decision. Revised estimates would then have to be prepared. The Secretariat would make every effort, but at best it estimated that a full budget would not be available until mid-June. It welcomed the Advisory Committee's recommendation that the General Assembly should review such budgets at an early stage of consideration; under the current system, however, that was impossible.

13.. Mr. ZEVELAKIS (Greece), speaking on behalf of the European Union, noted that, contrary to General Assembly resolutions, the annexes to the report of the Secretary-General on the financing of UNPROFOR (A/48/690 and Corr.1-3) had not been translated into all the official languages. The European Union attached particular importance to the role of ACABQ as an advisory body to the General Assembly in the budgetary process. It noted with satisfaction the improvement in the form of the Secretary-General's report and emphasized the importance of the submission of up-to-date information in the consideration of budgets.

14. If the budgetary process was to serve its true purpose of providing for the future and not for the past, budget documents must be submitted before the time period which they were intended to cover. In that context, the European Union concurred with the recommendation in paragraph 21 of the Advisory Committee's report. It also awaited with great interest the Secretary-General's report in response to the proposals on the simplification of the budgetary procedure contained in the earlier report of ACABQ (A/47/990) and to the provisions of General Assembly resolution 47/215.

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(Mr. Zevelakis, Greece)

15. The debt to troop-contributing countries was constantly rising and was currently in excess of \$120 million, in respect of the reimbursement of troop costs alone. That represented only a fraction of the total amount due, which also included the debt relating to contingent-owned equipment. Higher priority should be given to reimbursements to troop-contributing countries. The European Union would like further information concerning the reference in paragraph 29 of the Advisory Committee's report regarding the change in the basis for reimbursement to Governments in respect of contingent-owned equipment. Any proposal relating to that issue should be discussed on the basis of a review to be submitted by the Secretary-General to the Fifth Committee and ACABQ. In that context, the European Union concurred with the recommendation in paragraph 31 of the Advisory Committee's report.

16. The 12 States Members of the European Union had fulfilled their obligations to peace-keeping operations promptly and in full. They had repeatedly voiced their concern over the high level of arrears in the payment of contributions and requested information on the current status of arrears and the impact on the cash-flow situation. The current arrears could cover the cost of UNPROFOR for a period of approximately four months and, in that context, they wished to draw attention to paragraph 2 of General Assembly resolution 48/220. They were also of the view that surplus balances should only be credited to those Member States which had fulfilled their financial obligations and that the Financial Regulations should be amended accordingly.

17. The European Union endorsed the proposal that the Secretary-General should be granted authorization to enter into commitments in respect of UNPROFOR for a period of up to three months beginning 1 April 1994. It also accepted the recommendation in paragraph 76 of the Advisory Committee's report regarding the appropriation of the amounts specified and their apportionment.

18. Mr. MERIFIELD (Canada), referring to paragraphs 77 to 79 of the Advisory Committee's report, asked about the relationship between the Secretary-General's estimated expenditure of \$1,250,858,400 and the recommendation that he be given authority to commit up to \$95,430,962 per month for the three-month period beginning 1 April 1994. He did not know the reason for that reduction. Given that full budgetary estimates for one year had been considered by the Advisory Committee, he saw no need for further approval by ACABQ before expenditure under the commitment authority was authorized. Any commitment authority granted should be apportioned and the authorization should be drafted in such a way that the operation could continue for a longer period if necessary.

19. Mr. FRANCIS (Australia) said that his delegation was in favour of holding informal consultations on the matter. The Secretariat had prepared the budget based on the information available. Approval should be given for a six-month appropriation to avoid the need to return the matter to ACABQ for consideration once again.

20. The CHAIRMAN said that, in her capacity as a Vice-Chairman of the Committee, she would coordinate the informal consultations on the item.

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AGENDA ITEM 149: FINANCING OF THE UNITED NATIONS OPERATION IN MOZAMBIQUE
(continued) (A/48/849 and A/48/889)

21. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the financing of the United Nations Operation in Mozambique (ONUMOZ) (A/48/889), said that the Committee recommended that an amount of \$161,799,100 gross should be appropriated for the period from 1 November 1993 to 30 April 1994. The Committee further recommended that an unencumbered balance of \$21,527,100 gross in respect of the period from 1 July to 31 October 1993 should be set off against the amount to be assessed on Member States for the period from 1 November 1993 to 30 April 1994. The revised cost estimate of maintaining ONUMOZ for the six-month period from 1 May to 31 October 1994 was \$165,303,000 gross.

22. Mr. TAKASU (Controller) said that the Secretariat had taken due note of the various recommendations and observations of the Advisory Committee concerning the Secretary-General's report on the financial performance of ONUMOZ (A/48/849), which contained the revised cost estimates for the periods 1 November 1993 to 30 April 1994 and 1 May to 31 October 1994. It had taken particular note of the recommendations of a general nature, such as those concerning the rotation of the military and civilian components of the mission, entitlements and allowances, and the cost of accompanied baggage, and it would make every effort to ensure their implementation.

23. Two of the Advisory Committee's recommendations, however, posed certain problems for the Secretariat. The first concerned international civilian staffing. On the assumption that the elections in Mozambique would take place in October 1994, the Secretariat's budget estimates included provision for the expansion of activities and additional staff. The 12 additional international civilian posts which the Secretariat considered essential to the success of the operation had not been approved by the Advisory Committee. The additional local staff requested were required to provide support services, including interpretation. Security officers were considered part of the General Service category and were treated in the same way as international civilian staff.

24. The second recommendation which the Secretariat would have difficulty in implementing was that the Secretary-General should by May 1994 submit a report on the financing of ONUMOZ which would incorporate the financial implications of such action as the Security Council might wish to take following the submission of the Secretary-General's progress report to the Council in April 1994. For reasons which he had already indicated, it would not be possible for the Secretariat to submit a comprehensive budget by May since the Security Council was unlikely to take action before the end of April.

25. Mr. MICHALSKI (United States of America) wished to know how the Secretariat intended to implement the recommendation in paragraph 22 of the Advisory Committee's report that the Secretariat should review the numbers of both international electoral observers and local staff with a view to containing the cost of the operation. His delegation welcomed the request by the Advisory Committee that future reports should contain a section on compliance with its

(Mr. Michalski, United States)

recommendations in order to help members of the Committee to keep track of follow-up action by the Secretariat.

26. He also welcomed the decision taken by the Security Council (resolution 898 (1994), para. 3), that there should be a drawdown of an appropriate number of military personnel with the objective of ensuring that there was no increase in the cost of ONUMOZ without prejudice to the effective discharge of its mandate. He believed that it was possible to shift certain responsibilities from the military to the civilian component of the operation without jeopardizing its success. In that connection, his delegation would submit a draft text for the financing resolution to be adopted by the Committee, which would require the Secretariat to pursue that objective.

27. Mr. GOKHALE (India) said that the discussion of budget documents after the budget period had virtually expired was merely an academic exercise, since delegations were deprived of an opportunity to participate meaningfully in the determination of the financial outlays for peace-keeping operations. He hoped that, in future, budget documents would be made available before the commencement of the consideration of the budget.

28. He shared the concern expressed by the representative of the European Union over the delay in reimbursements to troop-contributing countries. Of particular concern was the recent statement by the Controller that, if the cash-flow crisis continued, reimbursements would be further delayed. The delays were having a very negative impact on troop-contributing countries, several of which had incurred expenditure in excess of their assessed contributions.

29. His delegation took note of the savings that had resulted from the delay in the rotation of military contingents, following the undertaking given by Bangladesh, India and Portugal to extend the stay of their contingents for a further year. While he understood that the often difficult conditions in the area of operations made six-monthly rotations desirable, those countries which were willing to commit their contingents for longer periods should be encouraged to do so in order to lower the cost of operations.

30. He noted the Advisory Committee's recommendation in paragraph 11 of its report that every effort should be made by the Secretariat, in accordance with established procurement procedures, to acquire services, resources and materials from local area sources. In that connection, he wished to know what proportion of items, such as tents, generators, prefabricated housing and office equipment had been purchased locally or from within the region.

31. Lastly, he wondered whether the death or disability benefit of \$40,000 for which provision had been made was being granted uniformly to all troops or whether it was being awarded on the basis of nationality and country of origin.

32. Mr. KUZNETSOV (Russian Federation) expressed concern at the manner in which the decision had been taken to discontinue the use of eight MI-8 helicopters because of alleged safety problems. He wished to know the legal and political bases for that decision and whether the Secretariat had first consulted

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(Mr. Kuznetsov, Russian Federation)

competent international bodies. The issue raised the question of financing, because of the high costs involved, as well as the question of the professionalism and competence of the Secretariat officials who had taken the decision. He noted further that the Secretariat had taken the decision without first awaiting the decision of the General Assembly on the financing of ONUMOZ and he wondered whether it had the authority to take such unilateral action.

33. Mr. DAMICO (Brazil) said that his Government attached great importance to the United Nations Operation in Mozambique, which was a good example of a successful peace-keeping operation in Africa. His delegation had, however, certain concerns about the way in which the Secretariat intended to implement Security Council resolution 898 (1994), which requested the Secretary-General as the police contingent was being deployed, to begin immediately preparing specific proposals for the drawdown of an appropriate number of military personnel with the objective of ensuring there was no increase in the cost of ONUMOZ without prejudice to the effective discharge of its mandate. He wished to know how early the report on the financial implications of that resolution could be made available.

34. Mr. MERIFIELD (Canada) said that he wished to reiterate his delegation's view that there was no justification for a further review by the Advisory Committee of the future of ONUMOZ before a commitment authority was granted, and that the requirements should therefore be assessed on Member States.

35. Mr. TAKASU (Controller), replying to the questions raised concerning the implementation of Security Council resolution 898 (1994), said that the Secretariat had initiated a comprehensive review of all the implications of the provisions of the resolution. It had also requested ONUMOZ to submit relevant proposals in response to the resolution and to comment on the various suggestions that had been received from Member States. The Secretariat would submit its recommendations as early as possible in compliance with the Security Council resolution.

36. The CHAIRMAN said that, during the informal consultations which would follow the adjournment of the meeting, replies would be given to the various questions put by members.

The meeting rose at 4.45 p.m.